



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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November 10, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE THE TRAUMA CENTER SERVICE AGREEMENT DESIGNATING CALIFORNIA
HOSPITAL MEDICAL CENTER AS A LEVEL II TRAUMA CENTER**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign the form trauma center service agreement, substantially similar to Exhibit I, designating California Hospital Medical Center, as a Level II Trauma Center, following signature by an authorized representative, at the rates set forth in Exhibit B of the form agreement previously approved by the Board on June 24, 2003, effective December 1, 2004 through June 30, 2005, in order to maintain the Los Angeles County Trauma Center System.
2. Approve the reallocation and expenditure of up to a maximum of \$3.3 million in "Measure B" Trauma Property Assessment funding for Fiscal Year 2004-05, including approximately \$1.5 million (for patient claims) and two lump-sum payments of approximately \$0.7 million each to California Hospital Medical Center as part of the Los Angeles County Trauma Center System and a Transitional Capacity Development Allowance in an amount not to exceed \$420,000; and authorize the Director of Health Services, or his designee, to increase the maximum County obligation up to an additional 20 percent of the maximum obligation to an amount not to exceed \$664,000. Therefore, the total maximum obligation including all contingencies is potentially \$3.984 million.
3. Establish the prorated annual trauma fee for California Hospital Medical Center at \$19,215 to offset County costs associated with data collection, monitoring, and evaluation.
4. Approve the attached appropriation adjustment to reallocate \$1.9 million in "Measure B" Trauma Property Assessment expenditures from the Fiscal Year 2004-05 Trauma Property Assessment Public Health Budget.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

The purpose of the recommended actions is to obtain Board approval for designation of California Hospital Medical Center (CAL) as a Level II Trauma Center. Currently, there are thirteen designated trauma centers in Los Angeles County, ten non-County operated and three County operated, covering a population of over ten million and 4,083 square miles, and treating over 18,000 major trauma patients

annually. The designation of CAL as a Level II Trauma Center will help ensure the continued viability of the current trauma system in Los Angeles County.

FISCAL IMPACT/FINANCING:

In order to offer CAL an agreement similar to that of the existing non-County trauma centers, reallocated Trauma Property Assessment (TPA) funds will be utilized for direct payments, based upon the projected trauma patient volume for Fiscal Year (FY) 2004-05, as well as two lump-sum payments which may be made directly to CAL or used for the State match in any Medi-Cal matching program approved for the non-County operated trauma centers.

For FY 2004-05, the maximum total monetary commitment related to the inclusion of CAL in the Los Angeles County Trauma Center System (LACTCS) is approximately \$3.3 million. This includes reallocated funding of approximately \$1.5 million to reimburse CAL for trauma care services provided to eligible patients, and two lump-sum payments to CAL of up to a maximum amount of approximately \$0.7 million each. If separate Federal matching funds are approved, the County's commitment will be reduced by approximately \$0.7 million for the term of this Agreement. In addition, the Transitional Capacity Development Allowance, which is a one-time start-up allocation, not to exceed \$420,000, will ensure that CAL will have appropriate capacity for trauma patients during the term of this Agreement. Lastly, the Director of Health Services, or his designee (Director), may increase the maximum County obligation up to an additional 20 percent of the maximum obligation to an amount not to exceed \$664,000. Therefore, the total maximum obligation with all the contingencies and allowances is potentially \$3.984 million. Should the amount of reimbursement for trauma care exceed the maximum obligation and contingency, the Director will return to the Board to request additional funding.

Funding for the \$3.984 million will be provided from unallocated budgeted TPA expenditures and savings in the FY 2004-05 TPA Public Health and Trauma Access Increase budgets. Attachment B provides the details of the required appropriation adjustment to reallocate \$1.9 million from the FY 2004-05 TPA Public Health Budget, \$0.8 million from the Expanded Access budget, the proposed use of approximately \$1.3 million in unallocated TPA expenditures, and establishment of the maximum obligation contingency.

Each of the other participating trauma centers is required to pay the County a fee of \$32,930 for Fiscal Year 2004-05, approved by the Board on June 24, 2003, to offset the costs of data collection, monitoring, and evaluation of the LACTCS. CAL will pay a fee of \$19,215, a prorated amount based on seven months of operation.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Beginning in the early 1990's, Prop 99 funding funded the trauma system, but has steadily decreased over the last decade. Other sources of funding, i.e, SB 612/EMS Maddy Funds, Tobacco Settlement Designation Funding and State Trauma Care Funds, have been used to augment the Prop 99 funding in an ongoing effort to fund the trauma system. The State Trauma Fund was developed out of a statewide effort (*Save California Trauma Centers Coalition*) to develop a permanent funding source for trauma centers throughout the State. The total of \$25 million allocated statewide for FY 2001-02 was reduced to \$20 million in FY 2002-03 and completely eliminated for FY 2003-04 and has not been reinstated since.

The trauma catchment area proposed for CAL conservatively projects 660 trauma patients in the first phase of implementation, with an additional 600 trauma patients upon implementation of the second phase. These patients would otherwise have been directed to a County-operated trauma center.

The Agreement has been approved as to form by County Counsel.

Attachments A and B provide additional information.

CONTRACTING PROCESS:

Non-County hospitals executing Trauma Center service agreements are current participants in the County's trauma system and satisfy the State and County criteria and conditions for such participation.

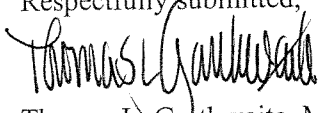
It is not appropriate to advertise these agreements on the Office of Small Business' Countywide Web Site.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended agreement will help ensure the continued availability of the current level of trauma services until June 30, 2005.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ps

Attachments (3)

- c: Chief Administrative Officer
- County Counsel
- Executive Officer, Board of Supervisors
- Auditor-Controller
- Chair, Emergency Medical Services Commission
- Health Care Association of Southern California
- Chief, County Health Services Branch
- State Department of Health Services

BLETC3626.PS

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICE:**

Designate California Hospital Medical Center as a Level II Trauma Center

2. **AGENCY ADDRESS AND CONTACT PERSON:**

California Hospital Medical Center
1401 South Grand Avenue
Los Angeles, California 90015
Attention: Mark A. Meyers, President
Telephone: (213) 742-5778
FAX: (213) 765-4078
E-mail: meyersm@chw.edu

3. **TERM OF AGREEMENT:**

Effective December 1, 2004 through June 30, 2005.

4. **FINANCIAL INFORMATION:**

Approximately \$1.5 million of reallocated Trauma Property Assessment funds will be allocated to California Hospital Medical Center for trauma care services provided to eligible patients, as well as two lump-sum payments in the amount of approximately \$0.7 million each. If separate Federal matching funds are approved, the County's commitment will be reduced by approximately \$0.7 million for the term of this Agreement. The Director may increase the maximum County obligation up to an additional 20 percent of the maximum obligation to an amount not to exceed \$664,000. The Transitional Capacity Development Allowance, which is a one-time start-up allocation, not to exceed \$420,000, will ensure that CAL will have appropriate capacity for trauma patients during the term of this Agreement.

Funding for the \$3.984 million will be provided from unallocated budgeted TPA expenditures and savings in the FY 2004-05 TPA Public Health and Trauma Access Increase budgets. An appropriation adjustment is required to reallocate \$1.9 million in "Measure B" TPA expenditures from the FY 2004-05 TPA Public Health Budget.

The reallocated funds required for execution of a contract with CAL will be deposited to the existing County-administered trust account, and shall be accounted for separately.

5. **GEOGRAPHIC AREA SERVED:**

Countywide.

6. **RESPONSIBLE FOR MONITORING:**

Department of Health Services Emergency Medical Services Agency

7. **APPROVALS:**

Local EMS Agency:	Carol (Gunter) Meyer, Director
Contract Administration:	Irene E. Riley, Director
County Counsel (approval as to use):	Edward A. Morrissey, Deputy County Counsel

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICES
PROPOSED USES OF "MEASURE B" - TRAUMA PROPERTY ASSESSMENT (TPA) FUNDS
FISCAL YEAR 2004-05
(\$ in millions)

Attachment B

	FY 04-05 Adopted Budget	+	Proposed Increase/(Decrease)	=	FY 04-05 Proposed Plan
EXPENDITURES					
<u>County DHS</u>					
- Hospital Trauma and Emergency Services Support	\$ 142.612		\$ -		\$ 142.612
- Public Health - Bioterrorism	4.739		(1.923) (a)		2.816
- Emergency Medical Services Agency	1.388				1.388
Subtotal County DHS	\$ 148.739		\$ (1.923)		\$ 146.816
<u>Expanded Access</u>					
- Air Transport					
* County Fire	TBD		\$ (0.800) (b)		\$ (0.800)
* County Sheriff	TBD (c)				TBD
* City Fire	TBD (c)				TBD
Subtotal Air Transport	\$ 2.400		\$ (0.800)		\$ 1.600
- Helicopter Lease - County Fire	2.000				2.000
Subtotal Expanded Access	\$ 4.400		\$ (0.800)		\$ 3.600
<u>Other County - TPA Administration</u>	\$ 1.000				\$ 1.000
<u>Private Trauma Contracts</u>					
- Service Claims					
* Base Contract Funding	\$ 9.560		\$ 1.500 (d)		\$ 11.060
* Backfill Funding - Other Revenue Shortfalls	2.200		-		2.200
Subtotal	\$ 11.760		\$ 1.500		\$ 13.260
- Lump-Sum Payments	6.540		1.400 (e)		7.940
- Trauma Center Base Stations (maximum)	3.800		-		3.800
- Maximum Obligation Contingency	-		0.664 (f)		0.664
- Transitional Capacity Dev. Allowance	-		0.420 (g)		0.420
Subtotal Private Trauma Contracts - TPA	\$ 22.100		\$ 3.984		\$ 26.084
<u>Unallocated</u>	\$ 1.261		\$ (1.261) (h)		-
TOTAL EXPENDITURES	\$ 177.500		\$ -		\$ 177.500

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICES
PROPOSED USES OF "MEASURE B" - TRAUMA PROPERTY ASSESSMENT (TPA) FUNDS
FISCAL YEAR 2004-05
(\$ in millions)

Attachment B

Footnotes

- (a) Reduction of Public Health's "Measure B" TPA allocation due to anticipated savings in FY 04-05 which will be reallocated to fund California Hospital Medical Center's (CAL) inclusion in the LA County Trauma Center System.
- (b) Reduction of LA County Fire Department's allocation based on the Board's 9/14/04 action.
- (c) The distribution of these funds among the two agencies is still to-be-determined (TBD).
- (d) Proposed use of reallocated TPA funding to reimburse CAL for providing trauma care services to eligible patients.
- (e) Proposed use of reallocated TPA funding to provide two lump-sum payments to CAL of approximately \$0.7 million each. If Federal Medi-Cal matching funds are approved by the Centers for Medicare and Medicaid Services, the County's commitment will be reduced by approximately \$0.7 million.
- (f) Appropriation to enable use of reallocated TPA funding to increase the maximum County obligation to CAL up to an additional twenty (20) percent of the maximum total obligation not to exceed \$664,000. This provides the appropriation authority should the Director of Health Services, or his designee, elect to increase the maximum obligation.
- (g) Use of reallocated TPA funding to provide CAL with a Transitional Capacity Development Allowance for a one-time start-up allocation to ensure they have appropriate capacity for trauma patients during the contract period.
- (h) Allocation of previously unallocated budgeted TPA expenditures.

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF Health Services

November 12, ~~19~~ 2004

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

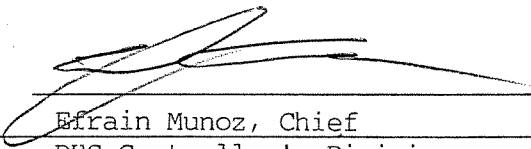
ADJUSTMENT REQUESTED AND REASONS THEREFOR

Fiscal Year 2004-05
3-VOTE

Please see attached for details

Justification:

The appropriation adjustment is required to reallocate \$1.9 million in Measure B Trauma Property Assessment expenditures from Fiscal Year 2004-05 Trauma Property Assessment Public Health Budget.

EM:br
11/12/04
Efrain Munoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

AUDITOR-CONTROLLER

BY

No.

192

NOV. 12 2004

APPROVED AS REQUESTED

AS REVISED

November 12, 2004

CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

BY

DEPUTY COUNTY CLERK

DEPARTMENT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

(3-VOTE)

SOURCES:

Public Health Services
Services and Supplies
A01-HS-23450-2000 \$ 1,923,000

Measure B Special Tax Fund
Operating Transfer Out
BW9-HS-41017-6100 1,923,000

Total \$ 3,846,000

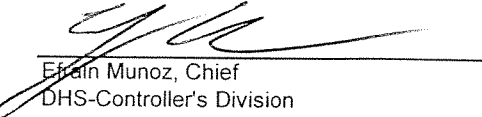
USES:

Public Health Services
Revenue - Operating Transfer In
A01-HS-23450-9910 \$ 1,923,000

Measure B Special Tax Fund
Services and Supplies
BW9-HS-41017-2000 1,923,000

Total \$ 3,846,000

NOTED AND APPROVED


Efrain Munoz, Chief
DHS-Controller's Division

Heidi Long
BA#192 NOV. 12, 2004